

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

October 21, 2008

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, October 21, 2008, at 8:30 a.m. at William Jones Apartments, 1447 South Ashland, Chicago, Illinois.

Chairperson Nesbitt called the meeting to order and upon roll call, those present and absent were as follows:

Present:	Martin Nesbitt Hallie Amey Dr. Mildred Harris Michael Ivers Samuel Mendenhall Bridget O’Keefe Carlos Ponce Sandra Young
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Absent:	None
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Also present were Lewis Jordan, Chief Executive Officer, Kris Warren, Chief Operating Officer; Scott Ammarell, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Upon Motion made and properly seconded the Commissioners adjourned to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to possibly discuss pending, probable or imminent litigation, personnel related matters, collective negotiating matters, purchase sale and lease of real estate property; establishment of reserves and settlement of claims.

At approximately 10:30 a.m. the Commissioners subsequently reconvened in Open Session and Chairman Nesbitt thereupon convened the Public Hearing portion and Business Sessions of the meeting.

Mattie Hunter, State Senator, 3rd District then read a Resolution in memory of Commissioner Wiggins.

Mr. Lewis Jordan, Chief Executive Officer then commenced his monthly report by inviting the public at large to visit the top floor and enjoy the beautiful view enjoyed by the residents of William Jones Apartments. Mr. Jordan then recapped events of the prior month which included a \$20 Million HOPE VI Grant Award from HUD for Park Boulevard; update on “Find Your Place In Chicago” campaign, which was launched with Mayor Daley in September; update on the results of the CHA Summer Food Program and results of the new Housing Choice Voucher wait list. Mr. Jordan concluded his report by acknowledging Tom Mitchell, staff member in Resident Services, for his contributions to the youth of the CHA.

Chairman Nesbitt then invited residents and the public at large to address the Board. Immediately following the Public Hearing portion of the meeting, the Chairman introduced the Resolutions discussed in Executive Session.

Commissioner Young presented a Motion for the approval of resolution for Executive Session Item1.

Executive Session Item 1

RESOLUTION NO. 2008-CHA-120

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 15, 2008, requesting that the Board of Commissioners approves the Personnel Actions Report for September 2008.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for September 2008.

The Motion to adopt resolution for Executive Session Item 1 was seconded by Commissioner Mendenhall and the voting was as follows:

Ayes: Martin Nesbitt
Hallie Amey
Dr. Mildred Harris
Michael Ivers
Samuel Mendenhall
Bridget O’Keefe
Carlos Ponce
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolution adopted.

Commissioner Ponce then presented a Motion for the approval of resolution for Executive Session Item 2.

Executive Session Item 2

RESOLUTION NO. 2008-CHA-121

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 15, 2008 requesting authorization to amend the contract amount with Ungaretti & Harris in connection with *Mt. McKinley Insurance Company v. Chicago Housing Authority, et al.*, No. 04 CH 12868,

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to amend Contract No. 6088 with Ungaretti & Harris to increase the contract amount in an amount not to exceed \$15,000 for a total not to exceed contract amount of \$215,000 in order to pay for legal fees and expenses regarding *Mt. McKinley Insurance Company v. Chicago Housing Authority, et al.*, No. 04 CH 12868.

The Motion to adopt resolution for Executive Session Item 2 was seconded by Commissioner Young and the voting was as follows:

Ayes: Martin Nesbitt
Hallie Amey
Dr. Mildred Harris
Michael Ivers
Samuel Mendenhall
Bridget O’Keefe
Carlos Ponce
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolution adopted.

Commissioner Young, Chairperson of the Tenant Services Committee, then presented her monthly report. Per Commissioner Young, the Tenant Services Committee meeting was held on

Wednesday, October 15 at approximately 1:05 p.m. at the 60 East Van Buren Corporate Offices. Linda Kaiser, Executive Vice President of Resident Services, presented the Committee with an update on Family Works.

Commissioner Young then introduced an Omnibus Motion for the adoption of Resolutions for Items A1 thru A3 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item A1)

The resolution for Item A1 approves award of contracts to the following six FamilyWorks providers: Centers for New Horizons, Employment and Employer Services, Inc., Heartland Human Care Services, Jane Addams Hull House Association, Metropolitan Family Services, and Uhlich Children's Advantage Network. The FamilyWorks program is currently administered through an Intergovernmental Agreement (IGA) with the Chicago Department of Human Services (CDHS). In September 2008, the CHA concluded that in order to ensure the intensive FamilyWorks model successfully supports families in regard to the recent changes in the Relocation Rights Contract and the implementation of the new work requirements; it needs direct oversight of the program and direct communication with the FamilyWorks agencies. The FamilyWorks Program model was designed to serve roughly 9,000 CHA families with two levels of service for families not yet permanently housed and families in post-occupancy. The FamilyWorks Program addresses two important challenges facing CHA families: housing stability and employment, and includes a new clinical component to address mental health and disability issues that often present themselves as barriers to stable housing and employment. To monitor and report on the success of the program, CHA will continue performance based contracts with the FamilyWorks Agencies; and monitor and perform quality control of the agencies including, but not limited to, frequent data entry and updating on performance metrics, monthly performance reports of individual agencies, file audits, quarterly performance reviews and on-going customer satisfaction reviews.

RESOLUTION NO. 2008 -CHA-122

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 15, 2008, entitled "AUTHORIZATION TO ENTER INTO CONTRACTS WITH CENTERS FOR NEW HORIZONS, EMPLOYMENT AND EMPLOYER SERVICES, INC., HEARTLAND HUMAN CARE SERVICES, JANE ADDAMS HULL HOUSE ASSOCIATION, METROPOLITAN FAMILY SERVICES, AND UHLICH CHILDREN'S ADVANTAGE NETWORK AS FAMILYWORKS PROVIDERS FROM NOVEMBER 1, 2008 THROUGH DECEMBER 31, 2009

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into contracts with Centers for New Horizons, Employment and Employer Services, Inc., Heartland Human Care Services, Jane Addams Hull House Association, Metropolitan Family Services, and Uhlich Children's Advantage Network for an aggregate amount not-to-exceed \$21,357,129.00 for the period of November 1, 2008 through December 31, 2009 to provide supportive services for CHA residents under the FamilyWorks program.

(Item A2)

The resolution for Item A2 approves contract extension with The Community Builders for the provision of Community and Supportive Services (CSS) at the Madden/Wells. The primary focus of the contract extension is to continue to assist CHA families that choose to return to the Madden/Wells mixed-income community. Case management services are specifically designed to address site specific criteria for relocating to the Madden/Wells Redevelopment and the barriers a family may face in meeting the criteria, and to assist families in overcoming those barriers. Because of TCB's performance to date, the CHA desires to extend the Contract for an additional one-year term. This will allow TCB to continue providing post-occupancy services to approximately 63 families who relocated to Oakwood Shores Phase 1B and provide services to families desiring to relocate into the 81 units available for Phase 2A of the redeveloped Madden/Wells in FY 2008-2009.

RESOLUTION NO. 2008-CHA-123

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 15, 2008, entitled “AUTHORIZATION TO EXTEND CONTRACT NO. 0575 WITH THE COMMUNITY BUILDERS FOR COMMUNITY AND SUPPORTIVE SERVICES AT MADDEN PARK/IDA B. WELLS/CLARENCE DARROW HOMES REDEVELOPMENT”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to amend and extend Contract No. 0575 (“Contract”) with The Community Builders for the period of January 1, 2009 through December 31, 2009, and to increase the Contract’s funding by an amount not-to-exceed \$400,000.00, adding it to the carryover balance available at the end of the Contract’s current term, to provide community and supportive services to CHA residents relocating to Madden Park/Ida B. Wells/Clarence Darrow Homes Redevelopment.

(Item A3)

The resolution for Item A3 approves the form of Tenant Selection Plan (TSP), Lease, Lease Riders, and Bylaws to be used for Madden Park/Ida B. Wells Homes replacement housing units at Oakwood Shores Phase 2B and Oakwood Shores Terrace Apartments. The property specific requirements for applicants contained in the Admissions and Continued Occupancy Policy are based on the CHA’s Minimum Tenant Selection Plan. These documents have been reviewed by the Developer and Madden Park/Ida B. Wells Homes LAC, and they recommended the documents as acceptable. A public comment period was held from September 8 through October 7, 2008. A public comment hearing was held on September 17, 2008. Notice for the 30 day public comment period and comment hearing were provided to the public and consideration will be given to any forthcoming comments prior to finalizing the documents.

RESOLUTION NO. 2008-CHA-124

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 15, 2008 entitled “AUTHORIZATION FOR APPROVAL OF THE TENANT SELECTION PLAN, LEASE, LEASE RIDERS, AND BYLAWS FOR MADDEN PARK/IDA B. WELLS HOMES REPLACEMENT HOUSING AT THE PRIVATE ON-SITE DEVELOPMENT KNOWN AS OAKWOOD SHORES PHASE 2B AND OAKWOOD SHORES TERRACE APARTMENTS AND TO AMEND THE CHA ADMISSIONS AND CONTINUED OCCUPANCY POLICY TO INCORPORATE SUCH DOCUMENTS AS AN ADDENDUM THERETO”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the attached form of tenant selection plan, lease, lease riders, and bylaws in substantially the form presented to the Board for the Madden Park/Ida B. Wells Homes replacement housing at the development known as Oakwood Shores Phase 2B and Oakwood Shores Terrace Apartments. The Chairperson of the Board or the Chief Executive Officer is hereby authorized to approve final changes in these forms, including, but not limited to, changes based on HUD requirements, or resulting from any applicable notice and comment process. Such approval shall constitute conclusive evidence of the Board’s approval of any and all such changes.

The Omnibus Motion to adopt resolutions for Item A1 thru A3 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Martin Nesbitt
	Hallie Amey
	Dr. Mildred Harris
	Michael Ivers
	Samuel Mendenhall
	Bridget O’Keefe
	Carlos Ponce

Sandra Young

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Tenant Services Committee report was also accepted in total.

Commissioner Ponce, Chairperson of the Operations Committee, then presented his monthly report. Per Commissioner Ponce, the Operations Committee meeting was held on Wednesday, October 15, 2008 at approximately 1:50 p.m. at the 60 East Van Buren Corporate Offices. Albert Murillo, Chief of Procurement for the Illinois Tollway, presented the Committee with an overview on the Earned Credit Program (ECP). The ECP is a rewards initiative that allows contractors and sub-contractors to earn credit toward their next Tollway contract when they hire from a pool of pre-screened apprenticeship candidates.

Commissioner Ponce then introduced an Omnibus Motion for the adoption of Resolutions for Item B1 thru B4 discussed, voted and recommended for Board approval by the Operations and Facilities Committee.

(Item B1)

The resolution for Item B1 approves modification of Contract No. 0641 with Roula Associates Architects for the provision of additional Prime Design Consultant (PDC) Services at Lawndale Gardens. In September 2006 an Invitation For Bid was issued to solicit a general contractor to perform renovation work at Lawndale. The renovation work was to be completed in two phases; however, due to circumstances beyond Roula's control, additional PDC services related to Phase 2 work are required. This modification will increase Roula's contract amount to cover the additional PDC services related to Phase 2 work, including, but not limited to, making necessary revisions to the construction documents, and providing an additional twelve months of construction administration.

RESOLUTION NO. 2008-CHA-125

WHEREAS, the Board of Commissioners has reviewed Board Letter dated October 15, 2008 entitled "AUTHORIZATION TO EXECUTE MODIFICATION NO. 05 TO CONTRACT NO. 0641 WITH ROULA ASSOCIATES ARCHITECTS, CHTD. FOR THE PROVISION OF ADDITIONAL PRIME DESIGN CONSULTANT SERVICES AT LAWNGDALE GARDENS (IL2-005)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Modification No. 05 to Contract No. 0641 with Roula Associates Architects, Chtd. for additional prime design consultant services at Lawndale Gardens in an amount of \$265,050.00. The new total contract amount for Contract No. 0641 will be \$1,206,912.00.

This modification is subject to the Prime Design Consultant's compliance with CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.

(Item B2)

The resolution for Item B2 approves a contract extension with LCM Architects for third party certification and verification services to implement the Voluntary Compliance Agreement (VCA) with HUD with respect to CHA's designated Uniform Federal Accessibility Standards (UFAS). The VCA's first benchmark, originally set for May 1, 2007, required that 35% of all of the CHA's rehabilitated and/or redeveloped UFAS-Accessible Units meet Federal accessibility requirements. The benchmark was satisfactory met after HUD granted CHA a provisional extension requiring the benchmark to be met in its entirety by August 31, 2008. In order to meet the future production benchmarks, the CHA is recommending exercising the Contract's second option period to continue providing the third party verification services required by the VCA and needed to facilitate meeting the VCA's benchmarks. LCM will perform the remaining CHA inspections at rates negotiated as part of its original contract that reflect a marginal three percent cost-of-living increase for the second option period and the negotiated reduced rates for re-inspections. To date, LCM has performed over 1,500 inspections and has done everything in its

professional capacity to oblige the CHA's fluctuating construction schedule. LCM's commitment to helping the CHA meet its production benchmarks has facilitated the successful achievement of its first benchmark and the establishment of schedules for future benchmarks as well.

RESOLUTION NO. 2008-CHA-126

WHEREAS, the Board of Commissioners has reviewed Board Letter dated October 15, 2008, entitled "AUTHORIZATION TO EXERCISE THE SECOND OPTION TO EXTEND CONTRACT NO. 6061 WITH LCM ARCHITECTS LTD. FOR THE PROVISION OF THIRD-PARTY CERTIFICATIONS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the second option to extend Contract No. 6061 with LCM Architects, Ltd. for the period of November 15, 2008 through November 14, 2009, and increase the not-to-exceed compensation amount by \$300,000.00 to allow LCM to re-inspect units and conduct additional initial inspections so the CHA can meet the benchmarks established in the Voluntary Compliance Agreement with HUD. The new aggregate amount will be \$1,800,000.00.

(Item B3)

The resolution for Item B3 approves submission to HUD of a Mixed Finance Proposal, Evidentiaries, and Amended Disposition for the Madden/Wells Phase 2B(One) redevelopment project. The master plan for the Madden/Wells redevelopment calls for a mixed-income, mixed-tenure community to be built over five phases. The plan includes approximately 3,000 units, of which 1,000 units will be targeted to public housing residents, 680 units for affordable housing residents, and 1,320 units for market rate residents. Phase 1 Rental has already produced a total of 325 new rental units that were completed in September of 2006 including 126 public housing units. Currently 199 units in Phase 2A are under construction including 81 public housing units. The Phase 2 Rental development will be built in an area bounded by 37th Street to the north, Pershing Road to the south, Cottage Grove to the east and Rhodes Avenue to the west. The rental units will be interspersed with for sale units to be produced by a different development team under a separate development agreement. Phase 2 Rental of the Madden/Wells/Oakwood Shores redevelopment plan will produce a total of approximately 378 new units of mixed-income rental housing, one property management office, and one community room in 30 buildings interspersed throughout the site. The proposed 386 Phase 2 rental units include 157 public housing units, 121 affordable units and 108 market rate units. The rental units will be developed in two sub-phases: Phase 2A will provide approximately 199 total units and Phase 2B will provide approximately 187 total units; 83 in Phase 2B(one) and 104 in Phase 2B(Two). The Phase 2B Rental housing development will provide a mix of traditional Chicago building types, including three-story 6 flats, townhomes, and one mid-rise building. The rental units range in size from 1-bedroom to 4 bedroom units and have been designed in accordance with all applicable city, state, and federal building, occupancy, and fair housing/accessibility codes and guidelines. The development will exceed the minimum energy efficiency rating of two stars. The proposed green initiatives include a planted "green" roof over 25% of the total roof area. Roof-mounted solar collectors will provide hot water to the mid-rise building. Building roofs will be insulated to provide an R-30 assembly while insulated walls will provide an R-19 assembly. Windows will be thermally improved aluminum with low-E coated insulating glass. High efficiency furnaces will be used in all low-rise buildings and downspouts will not connect to the storm system. Limited Partnership 2B(One) is the owner and developer of the Phase 2B(One) project. Oakwood Shores Phase 2B(One) GP L.L.C., an Illinois limited liability company, is the General Partner for Limited Partnership 2B(One). Oakwood Shores Phase 2B(One) GP L.L.C. is jointly owned by The Community Builders, Inc. (70%) and Granite Development, Inc. (30%). The 99-year ground lease with CHA for the Phase 2B(One) rental development sites will be executed by The Community Builders, Inc. The total estimated development cost for seventy-five units in Oakwood Shores Phase 2B(One) is approximately \$22,849,167 and is expected to be funded by a variety of permanent financing sources including HOPE VI and Capital Funds, JP Morgan Chase, Low Income Housing Tax Credit Equity, Illinois Affordable Housing Tax Credit, Affordable Housing Program Loan and Housing Choice Voucher Funds. On September 18, 2007 the Board authorized funding of this Phase 2B project for a not to exceed amount of \$14,000,000 in HOPE VI and General funding. This phase will use approximately \$8,400,000 of that approved request. The Development Agreement sets forth

the financing structure for Phase 2B Rental, to which the CHA, The Habitat Company, the City of Chicago and other investors have agreed in principle. When Phase 2B(Two) Rental is ready to proceed and has prepared a development budget, it will be subject to future board approvals.

RESOLUTION NO. 2008-CHA-127

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 15, 2008, requesting authorization to 1) Submit a Mixed-Finance Proposal, Evidentiaries, and Amended Disposition Modification to HUD, 2) Commit CHA funds of up to \$8,400,000 to the Madden/Wells Phase 2B(One) redevelopment project, 3) Dispose of land at the Madden/Wells Phase 2B(One) rental site by one or more ground leases to the ownership entity(ies), and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to: 1) Submit a Mixed-Finance Proposal, Evidentiaries, and Amended Disposition Modification to HUD, 2) Commit CHA funds of up to \$8,400,000 to the Madden/Wells Phase 2B(One) redevelopment project, 3) Dispose of land at the Madden/Wells Phase 2B(One) rental site by one or more ground leases to the ownership entity(ies), and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

(Item B4)

The resolution for Item B4 approves contract award to Oakwood Boulevard Associates, LLC for environmental remediation activities at the Madden/Wells Phase 2B(One) Rental Development Site. The development team of Oakwood Boulevard Associates, LLC was selected as a result of a July 21, 2001 Request for Proposals (RFP) issued by the CHA and the court-appointed Gautreaux Receiver, Daniel E. Levin and The Habitat Company, LLC. In June 2003, the Board approved entering into a Development Agreement with Oakwood Boulevard Associates, LLC. Pursuant to the Development Agreement, CHA is required to fund the cost of site remediation for pre-existing conditions on the entire rental development site subject to certain rights to terminate for infeasibility. As part of the construction preparation, a number of environmental investigation studies were completed for the CHA-owned land included in the Phase II site. These studies have identified certain environmental contaminants on the site that can be effectively remediated with an “engineered barrier” approach. This approach is the preferred method because it is the least costly and is also acceptable to the Illinois Environmental Protection Agency. The estimated remediation costs for the Oakwood Shores Phase 2B (One) Rental site is \$1,267,886. CHA’s contractual responsibility for remediating foreseen and unforeseen environmental conditions is capped at 200% of this estimated total cost \$2,535,772. HUD has indicated that due to the competitive process to procure a developer, the fact that the Phase Redevelopment site constitutes a portion of that Plan, and the engineered barrier approach to remediation involves construction elements to be performed post-closing, there is justification to enter into this contract. Benefits to the project will be realized by entering into a contract with Oakwood Boulevard Associates, LLC include continuity of schedule, continuity of activity and economy of scale.

RESOLUTION NO. 2008-CHA-128

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated, October 15, 2008, entitled “Authorization to Enter into a Contract with Oakwood Boulevard Associates, LLC For Environmental Remediation Activities At The Madden/Wells Phase 2B(One) Rental Redevelopment Site”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract (“Remediation Agreement”) with Oakwood Boulevard Associates, LLC for a total contract amount not to exceed \$2,535,772 (which represents 200% of the estimated remediation cost for the Madden/Wells Phase 2B (One) Redevelopment Site) to perform remediation activities in support

of the Madden/Wells Phase 2B(One) Rental Redevelopment Site (also known as Oakwood Shores). The term of the contract shall be the earlier of: final receipt of a “No Further Remediation” letter from the IEPA for the Madden/Wells Phase 2B(One) Rental Redevelopment Site, or two years, subject to a one year extension at CHA’s election.

The Omnibus Motion to adopt resolutions for Items B1 thru B4 was seconded by Commissioner Harris and the voting was as follows:

Ayes: Martin Nesbitt
 Hallie Amey
 Dr. Mildred Harris
 Michael Ivers
 Samuel Mendenhall
 Bridget O’Keefe
 Carlos Ponce
 Sandra Young

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Operations and Facilities Committee report was also accepted in total.

Commissioner Bridget O’Keefe, Chairperson of the Finance and Audit Committee, then presented her monthly report. Per Commissioner O’Keefe the Finance & Audit Committee held its regular meeting on Wednesday, October 15, 2008 at approximately 2:40 p.m. at the 60 East Van Buren Corporate offices. The Deputy Chief Financial Officer and staff presented the Committee with the Treasury & Cash Flow Report for the month of September 2008.

Commissioner O’Keefe then introduced an Omnibus Motion for the adoption of the Resolutions for Items C1 thru C6, discussed, voted and recommended for Board approval by the Finance and Audit Committee.

(Item C1)

The resolution for Item C1 approves the FY2009 Moving To Work Annual Plan, Plan For Transformation Year 10. In January 2000, the CHA Board approved the Plan for Transformation, which called for sweeping changes in both the administration and operation of the CHA. The Plan for Transformation was approved by HUD and incorporated into a Moving to Work (MTW) Demonstration Agreement, which was executed on February 6, 2000. The Agreement was subsequently amended in February 2001, requiring the CHA to submit an annual plan to HUD, describing anticipated activities which will utilize MTW flexibility. In June 2008, the CHA executed an Amended and Restated MTW Agreement between itself and HUD, which supersedes the original MTW Agreement. The Restated Agreement extends the CHA’s participation in the MTW Demonstration to the end of FY2018. The CHA’s continued participation in the MTW Program is contingent upon adherence to the requirements set out in the Restated Agreement, which includes submission of an Annual Plan each year. The attached document represents the CHA’s FY2009 MTW Annual Plan and details the CHA’s anticipated activities for FY2009 as follows: Housing Authority Operating Information, Long Term MTW Plan, Proposed MTW Activities, Ongoing MTW Activities, and Sources and Uses of Funds. Moreover, each of the activities has been tied to one of the following MTW Statutory Objectives: 1) Increase housing choices for low-income families; 2) Give incentive to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, education programs, or programs that assist people to obtain employment and become economically self-sufficient; and 3) Reduce cost and achieve greater cost effectiveness in Federal expenditures. The public comment period ran from August 18 through September 30, 2008. During such time, on August 27, 2008, a public comment hearing was held. Prior to finalizing the FY2009 MTW Annual Plan, the CHA gave consideration to comments received during the public comment period. To this end, the CHA has complied with the requirements of the Restated Agreement and HUD regulations regarding annual plans.

RESOLUTION NO. 2008-CHA-129

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 15, 2008 requesting approval of the FY2009 MTW Annual Plan – Plan for Transformation Year 10, hereto attached.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the FY2009 MTW Annual Plan – Plan for Transformation Year 10, and the form, CHA Certifications of Compliance with MTW Plan Requirements and Related Regulations, and grant authorization to submit these documents to the U.S. Department of Housing and Urban Development.

(Item C2)

The resolution for Item C2 approves the 3rd Quarter Revised 2008 Comprehensive Budget. The FY2008 budgeted expenditures have been revised from \$915,520,920 to \$855,435,764, resulting in a \$60,085,156 decrease. The major changes by funding source are as follows: General Fund: total revenues and associated expenditures decreased by \$52,348,561 for a fund total of \$790,111,043. The decrease is primarily due to a reduction in the HUD funding rate for HAP payment to landlords. Moreover, there was a carryover of construction activities at various developments and a reduction in utility consumption due to unit demolitions. Hope VI: total revenues and associated expenditures decreased by \$4,732,239 for a fund total of \$45,908,244. The decrease is due to a carryover of construction activities at various CHA mixed-income developments. Other Funding: the total revenues and associated expenditures decreased by \$2,980,075 for a fund total of \$12,613,436. The decrease is due to the transfer of the administration of the Summer Food Program to an outside agency. The estimated sum of all revenues for fiscal year 2008 and the amount of the fiscal year 2008 Fund Balance available for appropriation in the fiscal year is equal to the estimated sum of all expenditures to be made or incurred during the fiscal year and the amount of all unpaid liabilities at the beginning of the fiscal year 2008.

RESOLUTION NO. 2008-CHA-130

WHEREAS, the Board of Commissioners has reviewed the Board letter dated September 15, 2008, entitled “APPROVAL OF THE REVISED 2008 COMPREHENSIVE BUDGET”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, hereby approves the attached budget amendments, “THE FY2008 COMPREHENSIVE BUDGET AMENDMENT #2”, and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

(Item C3)

Given the scope of the Authority's business activity, it is essential that the CHA have a thorough review process to monitor the effectiveness of its policies and practices. The internal audit function is a critical element for establishing the controls and operational discipline necessary to facilitate the CHA's change in business focus. By outsourcing this function to a professional accounting firm, the CHA can continue to benefit from the comprehensive expertise provided by a global firm. Accordingly, the resolution for Item C3 approves the one-year option for Contract No. 7001 with KPMG. Responsibilities of the internal auditor under the Contract include developing a risk assessment and annual audit plan; testing and evaluating the efficiencies and effectiveness of operations; and ensuring that good internal control systems are in place to improve operations. During the past two years, KPMG has provided the CHA with outstanding service and has performed all tasks expected of the internal audit provider. KPMG has utilized expertise from its global internal audit practice to deliver key solutions to manage critical financial, business and operational risk on behalf of the CHA. KPMG is willing to provide internal auditing services to the CHA for the next contract term under the same terms and conditions as provided in the Contract.

Commissioner Mendenhall abstained from voting on Item C3.

RESOLUTION NO.2008-CHA-131

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated October 15, 2008 entitled, "AUTHORIZATION TO EXERCISE ONE-YEAR OPTION FOR CONTRACT NUMBER 7001 WITH KPMG LLP FOR INTERNAL AUDITING SERVICES"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the option to extend Contract No. 7001 for the period of January 1, 2009 through December 31, 2009 to provide internal auditing services for a total amount not-to-exceed \$1,000,000.

(Item C4)

Insurance brokerage services have assisted the Authority in consistently securing insurance for the CHA and the Property Manager Insurance Program (PMIP), which is an Owner-Controlled Insurance Program that assures consistent insurance and financial protection for the CHA through its Private Managers and Resident Management Corporations. Participation in this program is mandated by contract for all Private Managers (PM's) and Resident Management Corporation's (RMC's). The costs associated with the PMIP are included in the operating budgets for each PM and RMC. During the last three years, Aon has aggressively marketed both insurance programs starting with holding an informational session at the Authority with prospective carriers to taking carriers on a tour of various locations. Aon conducted an in depth analysis of all coverage's and made recommendations that have resulted in coverage enhancements at no additional cost and procurement of additional lines of coverage. Aon's efforts resulted in CHA receiving optimum insurance, coverage while realizing cost savings for the CHA and the PMIP, and obtaining competitive bids for various lines of coverage. Accordingly, the resolution for Item C4 approves the option to extend Contract No. 6006 with Aon.

Commissioner Mendenhall abstained from voting on Item C4.

RESOLUTION NO. 2008-CHA-132

WHEREAS, The Board of Commissioners has reviewed the memorandum dated October 15, 2008 entitled, "Authorization to Exercise the Option to Extend Contract No. 6006 with Aon Risk Services, Inc. Of Illinois for Brokerage and Consultant Services to the CHA and for the Private Managers Insurance Program (PMIP)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the second option and execute an amendment extending Contract No. 6006 (the "Contract") with Aon Risk Services, Inc. of Illinois

(“Aon”) for the period of January 1, 2009 through December 31, 2009 for an amount of \$275,256.00 to continue providing brokerage and consultant services to the CHA and for the Private Managers Insurance Program. The Contract’s new aggregate total compensation amount will be \$1,047,906.00.

(Item C5)

The resolution for Item C5 approves award of contracts with Humana Healthcare (Medical and Dental), Davis Vision, Lincoln National and Ameriflex for the CHA’s Employee Health Benefit Plans and also grants approval to increase employee contribution rates. The CHA’s insurance broker, Mesirow Financial, directly solicited requests for insurance premium quotes from 19 top healthcare insurances providers in their respective fields. Mesirow received 4 proposals for medical, 5 for dental, 4 for vision and 6 for Life, LTD and STD benefits and 3 for flexible spending accounts. The evaluation committee reviewed the information provided by the respondents and recommend the carriers based on: longer contract renewals, continuous service guarantees, larger selection of networks and low cost in premiums. Health insurance premiums have consistently grown faster than inflation in recent years, however, the new proposed employee contribution rates are modest compared to market trends and private employers and are competitive with sister agencies as well as other governmental entities.

RESOLUTION NO. 2008-CHA-13

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Memorandum dated October 15, 2008, entitled “AUTHORIZATION TO ENTER INTO CONTRACTS WITH HUMANA (MEDICAL AND DENTAL), DAVIS VISION, LINCOLN NATIONAL AND AMERIFLEX FOR THE CHA’S EMPLOYEE HEALTH BENEFIT PLANS AND AUTHORIZATION TO INCREASE EMPLOYEE CONTRIBUTION RATES”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners of the Chicago Housing Authority authorizes the Chief Executive Officer or his designee to enter into contracts with the following insurance providers for the Chicago Housing Authority’s (“CHA”) Employee Health Benefit Plan covering eligible participants of the CHA and eligible participants of the CHA’s affiliates for the benefit year of January 1, 2009 through December 31, 2009: (1) Humana HealthCare (medical) in an amount not-to-exceed \$4,800,000.00 for the base term and subject to funding availability, an amount not-to-exceed \$5,100,000.00 for the FY 2010 option year; (2) Humana, (dental) in an amount not-to-exceed \$213,000 and subject to funding availability, an amount not-to-exceed \$213,000.000 for the FY 2010 option year; (3) Davis Vision in an amount not-to-exceed \$43,000.00 and subject to funding availability, an amount not-to-exceed \$43,000.00 for the FY 2010 option year; and (4) Lincoln National Life (Life, STD and LTD) in an amount not-to-exceed \$270,000.00 and subject to funding availability, an amount not-to-exceed \$270,000.000 for the FY 2010 option year; and (5) Ameriflex for flexible spending accounts in an amount not-to-exceed \$12,000 for an aggregate amount not-to-exceed \$5,338,000.00 for FY 2009 and subject to funding availability, an aggregate amount not-to-exceed \$5,675,000.00 for FY 2010.

THAT, the Board authorizes the Chief Executive Officer or his designee to increase the employee’s healthcare benefit plan contribution rates.

(Item C6)

The resolution for Item C6 approves entering into a contract with Yardi Systems for System upgrades and enhancements. In 2005 the CHA implemented the Yardi Housing Management System to replace its existing Public Housing Management System Creative Computer System, and replaced the legacy system for the Housing Choice Voucher program (Emphasis Computer System. The CHA has maintained and supported the base Yardi system (commonly referred to as “Yardi Voyager”) through an optional and renewable annual maintenance and support agreement with Yardi. Because of the proprietary nature of most integrated software systems and platforms, it is a standard practice for software companies to periodically implement new and/or upgraded applications and environments to increase performance and usability for their customer base. The planned upgrade of the Yardi Voyager software, which serves as the base platform for

the Yardi Housing Management System, from the current release 5.12.24 to version 6.08 will enable the CHA to take advantage of the full features of the new version including: improved security (compliant with the HUD security audit findings); improved application performance; additional functionality such as inventory, maintenance scheduling and property level budgeting and will allow the CHA to improve support by being up to date on the software releases. The expense and option for the CHA to procure the Yardi Voyager upgrade is already covered financially under the maintenance and support agreement with the vendor. Consequently, the only additional costs associated with the CHA's upgrade of the base Voyager system are the implementation costs for engaging Yardi specialists to configure new features and functionality of the upgraded version to meet the CHA's specific business needs. In addition to the base system upgrade for Voyager, the CHA has elected to license additional Yardi software, including the vendor's Customer Service, Portfolio Management Dashboard and Web Portal Modules. These new Upgrade Modules are separately licensed, and will also require professional services from the vendor to fully implement their respective new functions and features. Once implemented and accepted by the CHA, these Upgrade Modules will be subject to the same terms and conditions for ongoing support, maintenance and upgrade coverage as the parties have observed for Yardi Voyager System.

RESOLUTION NO. 2008-CHA-134

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 15, 2008, entitled, "AUTHORIZATION TO ENTER INTO A CONTRACT WITH YARDI SYSTEMS, INC. FOR SYSTEM UPGRADES AND ENHANCEMENTS, AND PROFESSIONAL SERVICES TO IMPLEMENT THE YARDI HOUSING MANAGEMENT SYSTEM UPGRADES AND ENHANCEMENTS."

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, It is recommended that the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Yardi Systems, Inc. for professional services to implement upgrades and enhancements to the Yardi Housing Management System, in an amount not-to-exceed \$1,167,525.00

The Motion to adopt resolutions for Item C1 thru C6 was seconded by Commissioner Amey and the voting was as follows:

Ayes:	Martin Nesbitt Hallie Amey Dr. Mildred Harris Michael Ivers Samuel Mendenhall Bridget O'Keefe Carlos Ponce Sandra Young
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Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Finance and Audit Committee report was also accepted in total.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

s/b: Martin Nesbitt
Chairman

s/b: Lee Gill, Custodian and
Keeper of Records